

Creation of Destination Management Organisation Risks

	Risk	Cause	Consequence	Controls	Likelihood	Impact	Score
1.	Staff not engaged and in support of the project (DMO/Council)	Lack of on-going regular communication with staff	Staff less productive. Low staff morale affecting service delivery and income performance	Regular staff briefings. Staff engaged in the project and included in the circulation of key reports	2	4	8
2.	Increased competition from other organisations delivering services similar to Visit Cambridge (DMO).	Other organisations providing similar services/products to Visit Cambridge e.g. Walking Tour companies, Punt Touts, visitor focussed websites and publications	Reduction in commercial income levels	Increased development and promotion of the unique selling points (USPs) of the Visit Cambridge services/products provided. Working with partners to tackle punt tout issues. Working closely with Cambridge BID	2	3	6
3.	Failure to develop robust financial management arrangements(DMO)	Some core Visit Cambridge income streams are seasonal and dependant on a number of external factors including the weather	Cash flow issues resulting in inability to cover monthly revenue costs (e.g. salaries)	The detailed business case will include details of cash flow forecasting and need for any initial working capital. The business plan will also include recommendations to increase the breadth of commercial opportunities thus reducing the dependency on income streams which are dependent on external factors	2	3	6
4.	Failure to develop alternative delivery models for Tourism (Service remains in house)- (Council)	No political support for alternative delivery models	A reduction in Membership income and inability to maximise income opportunities thus increasing the net cost of the Tourism Service to the Council	Cross Party Political Engagement. Member Briefings. Development and support for robust business case.	2	3	6
5.	The projected growth in Membership income is not achieved(DMO/Council)	The DMO fails to deliver adequate ROI (return on investment) for Tourism organisations resulting in reduction in Membership. DMO Members partners are not obliged to contribute as it is a voluntary membership scheme	Additional subsidy required from the Council. Unable to meet objective of service being cost neutral	Robust Business Plan. Clearly defined business benefits for DMO members. Clear objectives. Evidence of delivery and KPI's. Regular engagement and communication with DMO members	3	3	9

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6.	Unable to secure income levels as projected in outline business case for Year 1(DMO/Council)	Lack of "Buy in" from Partners. Income Targets over ambitious	Additional subsidy required from the Council. Unable to meet objective of service being cost neutral	Robust Business Plan. Clearly defined business benefits for DMO members. Clear objectives. Evidence of delivery and KPI's. Regular engagement and communication with DMO members	2	3	6
7.	Inability to ensure DMO reflects CCC core values (Council)	Inadequate reflection of CCC core values in the Articles of Association for the new DMO	Ineffective partnership working. Lack of political support leading to the failure of the project to fulfil its potential	CCC representation on Shadow Board of DMO. Active engagement at Member and Executive Councillor level.	2	4	8
8.	Failure to engage key strategic partners (DMO/Council)	Lack of engagement and communication with key partners. Inability of key partners to 'buy in' to the vision.	Failure of the project.	Stakeholder workshops held. Meetings with key partners planned including Cambridgeshire County Council SCDC, the LEP, Cambridge University (Pro Vice Chancellor), Key attractions, Cambridge Ahead and other Business Networks	2	4	8
9.	Lack of Political Support for the new Destination Management Organisation (Council)	Project fails to articulate how it links in with current political priorities	Failure of the project. Tourism service unable to deliver significant further savings without a reduction in service specification which could lead to increased costs if the private sector disinvests.	Project is aligned to 5 out of the 8 new Vision statements for the Council (published in July 2014). Regular on-going briefings with Members across both parties (Lib Dem & Labour). Environment Scrutiny Member briefing in March 14. Labour briefing planned for early September. Included as an item on the Forward Plan.	2	4	8

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10.	The Council is unable to reduce the residual recharges at the rate assumed in the DMO business case(Council) .	The assumption is overambitious.	Increase in the cost of the project to the Council.	Further work has been undertaken by the Finance department to agree a more cautious and realistic reduction in retained recharges and 15% pa has been agreed on all Business Transformation projects corporately . A proposition to review and redesign central support provision with the aim of aligning it better with the future demands and circumstances of the Council is being developed and will be the means by which central support costs will be managed down; this will be a project within the Councils corporate transformation programme.	2	4	8

Key:

1 – 4	Low
5 – 10	Medium
12 – 15	Significant
16 – 25	High

NB: Each risk is annotated to highlight whether the risk is assigned to the DMO, the Council or both.